

Message Text

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PAGE 01 LUXEMB 00803 261526Z

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ACTION EB-07

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FM AMEMBASSY LUXEMBOURG

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AMEMBASSY VIENNA

UNCLAS LUXEMBOURG 0803

VIENNA FOR EXIM DIETZ

E.O. 11652: N/A

TAGS: BFOL, LU

SUBJECT: PRODUCT OPPORTUNITY: ARBED STEEL MODERNIZATION

REF: LUXEMBOURG 0772

1. FRANCOIS SCHROEDER, ARBED DIRECTOR IN CHARGE OF NEW INVESTMENT PROJECTS AND RESPONSIBLE FOR LONG-RANGE PLANNING IN ALL OF ARBED'S DIVISIONS, CONFIRMED TO ECON/COMMERCIAL OFFICER THAT MEDIUM-SIZED ROLLING MILL AT DIFFERDANGE DIVISION (REFTEL) IS THE FIRST PRIORITY PROJECT UNDER THE NEW INVESTMENT PLAN. SCHROEDER INDICATED THAT DECISIONS ON TWO OTHER MAJOR PROJECTS - A PIPELINE FROM THE NORTH SEA TO LUXEMBOURG AND THE REPLACEMENT OR MODERNIZATION OF SEVERAL CONVERTERS - WILL BE TAKEN SOMETIME IN 1975. SCHROEDER ADDED THAT THE NEW ROLLING MILL WILL IN TURN NECESSITATE INVESTMENT IN EITHER THE MODERNIZATION OR REPLACEMENT OF OTHER ROLLING MILLS. A DECISION ON OTHER ROLLING MILL INSTALLATIONS, HOWEVER, WILL NOT BE TAKEN UNTIL THE ROLLING MILL AT DIFFERDANGE IS UNDER CONSTRUCTION.

2. SCHROEDER INDICATED THAT ARBED WOULD BE INTERESTED IN RECEIVING BIDS ON THE CONSTRUCTION OF THE NEW ROLLING MILL FROM MORE THAN THE TWO US FIRMS MENTIONED IN REFTEL
UNCLASSIFIED

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PAGE 02 LUXEMB 00803 261526Z

(BLAU-KNOX AND WEAN-UNITED), HE SUPPLIED ECON/COMM

OFFICER WITH DETAILED TENDER THAT WAS SENT TO POTENTIAL BIDDERS. THESE SPECIFICATIONS POUCHED DOC NOV. 27, ATTN. OFFICE EXPORT DEVELOPMENT AND ARE SUMMARIZED IN PARA 4 BELOW.

3. SCHROEDER INDICATED THAT PIPELINE PROJECT FOR TRANSPORTING SLURRY FROM THE NORTH SEA TO LUXEMBOURG MAY BE THE NEXT MAJOR INVESTMENT TO BE FUNDED AFTER DIFFERDANGE ROLLING MILL. HE EXPECTS THE DECISION ON THE PIPELINE TO BE TAKEN BY THE FALL OF 1975 AFTER A FEASIBILITY STUDY AND PRELIMINARY DISCUSSIONS WITH THE FRENCH INDUSTRY, SINCE HE ENVISAGES THE PIPELINE AS A JOINT FRANCO-LUXEMBOURG PROJECT. HE ESTIMATES THE COST OF THE PIPELINE AT 8 TO 10 BILLION FRANCS (\$200-\$250 MILLION) AND IS IN CONTACT WITH BECHTEL CORP. OF CALIFORNIA CONCERNING FEASIBILITY STUDIES FOR THE PROJECT.

4. SUMMARY DESCRIPTION OF PROPOSED MEDIUM ROLLING MILL IS AS FOLLOWS:

ROLLING CAPACITY: 80,000-100,000 METRIC TONS/25 WORKING DAYS.

ROLLING PROGRAM: DETAILED ROLLING PROGRAM MAILED DOC NOV. 15 HAS BEEN MODIFIED SLIGHTLY. NEW SPECS POUCHED NOV. 27.

STEEL GRADES: STRUCTURAL STEELS ACCORDING TO DIN 17100. CASE-HARDENING STEELS AND TEMPERED STEELS ACCORDING TO DIN 17210 AND 17200.

SPRING STEELS. DRAWING STEELS AND COLD HEADING STEELS INCLUDING AE 47.

ROLLING TOLERANCES: 50 P.C. OF THE DIN VALUES APPLY FOR THE ADMISSIBLE TOLERANCES OF THE LISTED ROLLING PROGRAM.

INITIAL PASS SECTIONS: IN ORDER TO SIMPLIFY THE STORAGE OF BLOOMS, THE NUMBER OF REQUIRED BLOOM SECTIONS MUST BE KEPT TO A STRICT MINIMUM. THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LUXEMB 00803 261526Z

BLOOMS WILL BE SUPPLIED BY AN EXISTING BLOOMING MILL AND A CONTINUOUS CASTING PLANT AND ARE LIMITED BY THE FOLLOWING DIMENSIONS:

MINIMUM SQUARE: 155 X 155 MM

MINIMUM SLAB THICKNESS: 120 MM

NOMINAL MAXIMUM LENGTH: 10 M

THE DESIGN OF THE MILL MUST ALLOW FOR THE CONSTRUCTION BY STAGES. THE FIRST CONSTRUCTION STAGE HAS TO CORRESPOND TO A MONTHLY PRODUCTION OF ABOUT 40,000 METRIC TONS AND ABLE TO TURN OUT THE COMPLETE ROLLING PROGRAM.

ACTION REQUESTED: THAT DOC CONTACT OTHER US FIRMS WHICH SUPPLY ROLLING MILLS AND SEND TO EMBASSY ASAP NAMES AS WELL AS SHORT DESCRIPTION OF FIRMS SERIOUSLY INTERESTED IN RECEIVING TENDER FOR BIDS. FARKAS

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